

# CRS Report for Congress

## **Second FY2008 Supplemental Appropriations for Military Operations, International Affairs, and Other Purposes**

**April 15, 2008**

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**Prepared for Members and  
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# Second FY2008 Supplemental Appropriations for Military Operations, International Affairs, and Other Purposes

## Summary

During its first session, the 110<sup>th</sup> Congress provided emergency appropriations of \$86.8 billion for the Department of Defense and \$2.4 billion for international affairs, mainly for activities related to military operations in Iraq and Afghanistan. Of those amounts, \$70 billion for defense and all of the \$2.4 billion for international affairs were provided in the FY2008 consolidated appropriations bill, H.R. 2764, which the President signed into law, P.L. 110-161, on December 26, 2007.

Congress left unresolved, however, the status of a substantial amount of additional FY2008 emergency funding that the Administration had requested. In all, Congress did not act on about \$102.5 billion requested for the Department of Defense and \$5.4 billion for international affairs. Congressional leaders have said that they plan to bring up a bill providing additional supplemental appropriations for FY2008 sometime this spring. Now, the House Appropriations Committee plans to begin marking up a supplemental bill the week of April 21. The bill may include some or all of the remaining amounts the Administration has requested for defense and international affairs and also funding for additional domestic as well as defense and international programs.

The bill may become a vehicle for a renewed debate about troop withdrawals from Iraq. Other issues may include whether to provide reconstruction assistance to Iraq as loans rather than grants and whether to require that military units be stationed at home for at least as long as they are deployed abroad. There may also be debate about unrequested funding for C-17, C-130, and F-22 aircraft, and perhaps for some other programs, that Congress may consider adding to the bill.

It is also possible that the supplemental could become a vehicle for an economic stimulus package, including extended unemployment benefits and other measures.

This CRS report will be updated regularly to report on congressional action on remaining supplemental appropriations. For congressional action on FY2008 supplemental funding provided through December 2007, see CRS Report RL34278, *FY2008 Supplemental Appropriations for Global War on Terror Military Operations, International Affairs, and Other Purposes*, coordinated by Stephen Daggett, which will not be updated further.

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# Second FY2008 Supplemental Appropriations for Military Operations, International Affairs, and Other Purposes

## Most Recent Developments

During the first session of the 110<sup>th</sup> Congress, which ended on December 31, 2007, the Administration requested \$196.5 billion in emergency supplemental appropriations for Fiscal Year (FY) 2008, including \$189.3 billion for military operations, \$6.9 billion for international affairs, and \$325 million for other purposes. Through the end of December, Congress had approved \$86.8 billion of the total requested for defense and \$2.4 billion for international affairs, of which the State Department calculates that \$1.5 billion was for requested programs. Of the President's total emergency request, \$102.5 billion for defense and \$5.4 billion for international affairs remain outstanding.

Defense officials now calculate that funding appropriated in the regular FY2008 defense appropriations act, P.L. 110-116, together with FY2008 supplemental appropriations provided in the consolidated appropriations act, P.L. 110-161, will begin to run out some time in June – by about the middle of June for Army military personnel accounts and by the end of June for Army operation and maintenance. The Defense Department could extend operations further either by slowing the pace of obligations or by using available authority to transfer funds from other accounts to the Army. More than \$11.4 billion in transfer authority may be available.<sup>1</sup> It could also invoke the Feed and Forage Act to obligate funds in advance of appropriations or use other standing authorities to extend operations further.<sup>2</sup>

For defense, much of the remaining requested funding is to repair, replace, and upgrade weapons and other equipment used in the war. For international affairs,

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<sup>1</sup> The regular FY2008 defense appropriations bill provides \$3.7 billion of general transfer authority which, subject to approval by the congressional defense committees, can be used to shift funds between accounts. The consolidated appropriations act provides \$3.7 billion in the Iraqi Freedom Fund, which may be transferred to personnel, operation and maintenance, or other accounts for operations either in Iraq or in Afghanistan and then transferred back again. The consolidated appropriations act also provides authority, again subject to congressional approval, to transfer up to \$4.0 billion of the \$70 billion in emergency defense funding in the bill between accounts. Additional amounts may be available in cash balances of working capital funds.

<sup>2</sup> See CRS Report RL34275, *How Long Can the Defense Department Finance FY2008 Operations in Advance of Supplemental Appropriations?*, by Amy Belasco, Stephen Daggett, and Pat Towell, and CRS Report RL33110, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, by Amy Belasco.

remaining funding includes additional sums for reconstruction assistance to Iraq and Afghanistan and for a major new counter-narcotics initiative in Mexico and Central America. For State Department operations, outstanding requests include additional amounts for Diplomatic and Consular Program security upgrades and for Contributions to International Peacekeeping Activities in Darfur and elsewhere.

During the week of April 21, the House Appropriations Committee is expected to begin marking up a bill providing additional supplemental appropriations for FY2008. Several issues may be matters of debate. The bill could become a vehicle for additional debate over withdrawals of U.S. forces from Iraq. Some legislators may propose amendments to clarify what measures of progress in Iraq would allow further withdrawals of troops or to further refine benchmarks for Iraqi government performance. Senator Webb is expected to again offer a proposal to require that units be stationed at home between deployments for at least as long as they are deployed abroad. Senator Ben Nelson is expected to offer an amendment to provide some or all economic assistance to Iraq as loans rather than grants. And there may also be some debate about congressional additions of unrequested funds for several weapons programs. Representative Murtha, the chairman of the House defense appropriations subcommittee, has said that he expects to provide funds for C-17 cargo aircraft and for F-22 fighters in order to keep production lines for both aircraft open.<sup>3</sup>

## **Congressional Action on FY2008 Supplemental Appropriations Through December 2007**

### **Administration Requests**

Between February and October of 2007, the Administration submitted requests for FY2008 emergency supplemental appropriations in three blocks.

- Along with the regular FY2008 budget that the White House sent to Congress on February 5, 2007, the Administration requested \$141.7 billion in emergency supplemental funding for the Defense Department, \$3.3 billion for the State Department and international affairs, and \$325 million for other agencies. By submitting the defense request along with the President's FY2008 budget, the Administration complied with Section 1008 of the FY2007 national defense authorization act (P.L. 109-364), which required the President's budget to include a request for estimated full year costs of operations in Iraq and Afghanistan and a detailed justification of the funds. The request constituted a Defense Department estimate

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<sup>3</sup> All of these proposals are discussed in Josh Rogin and David Clarke, "Lawmakers Set Sights on War Funds," *CQ Today*, April 3, 2008 and in Ashley Roque, "Lawmakers Gird for Clash Over Iraq Strategy, War Spending Bill," *Congress Now*, April 7, 2008. See also, Josh Rogin and Adam Graham Silverman, "Democrats Plan New Push on Iraq," *CQ Today*, March 28, 2008, which reports that Representative Murtha has discussed measures requiring troops to remain at home for as long as they are deployed abroad, establishing readiness requirements, and setting troop withdrawal targets.

of the full year costs of continuing operations in Iraq and Afghanistan at about the same pace as in 2006. The Defense Department acknowledged, however, that the estimate was only a rough, straight-line projection of current costs. By the time the budget was submitted, the Administration was proposing a surge in troops to Iraq that was not reflected in the budget, and it was expected that the Administration would later provide revised cost projections. These were submitted in October.

- On July 31, 2007, the White House requested an additional \$5.3 billion for the Department of Defense to procure, outfit, and deploy 1,520 Mine Resistant Ambush Protected (MRAP) vehicles for the Army and Marine Corps.
- On October 22, 2007, the President proposed an amendment to the FY2008 budget requesting an additional \$45.9 billion in emergency funding for military operations, economic and reconstruction assistance, embassy security, and other activities mainly related to ongoing conflicts in Iraq, Afghanistan, and elsewhere. The request included \$42.3 billion for the Department of Defense for military operations and \$3.6 billion for international affairs programs.<sup>4</sup>

In all, the Administration requested \$195.6 billion in emergency supplemental appropriations for FY2008, mainly for military operations in Iraq, Afghanistan and elsewhere and for related foreign affairs programs.

## Congressional Action

Congressional action on FY2008 emergency supplemental funding began in earnest in September and was not completed until shortly before Christmas.

- At the end of September, Congress included \$5.2 billion in emergency funding for Mine Resistant Ambush Protected (MRAP) vehicles (\$5.3 billion was requested in July) in a provision attached to the first FY2008 continuing resolution, H.J.Res. 52, that the President signed on September 29, P.L. 110-92.
- On November 8, the House and Senate approved a conference agreement on the FY2008 defense appropriations bill, H.R. 3222,<sup>5</sup>

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<sup>4</sup> For the overall request see White House Office of Management and Budget, "FY 2008 Emergency Budget Amendments: Operation Iraqi Freedom, Operation Enduring Freedom, and Selected Other International Activities," October 22, 2007, at [[http://www.whitehouse.gov/omb/budget/amendments/amendment\\_10\\_22\\_07.pdf](http://www.whitehouse.gov/omb/budget/amendments/amendment_10_22_07.pdf)]. For an overview of the defense request, see Department of Defense, *FY2008 Global War on Terror Amendment*, October 2007, at [[http://www.defenselink.mil/comptroller/defbudget/fy2008/Supplemental/FY2008\\_October\\_Global\\_War\\_On\\_Terror\\_Amendment.pdf](http://www.defenselink.mil/comptroller/defbudget/fy2008/Supplemental/FY2008_October_Global_War_On_Terror_Amendment.pdf)].

<sup>5</sup> See CRS Report RL33999, *Defense: FY2008 Authorization and Appropriations*, by Pat (continued...)

and the President signed the bill into law, P.L. 110-116, on November 13. The measure provided \$460 billion for baseline Defense Department activities in FY2008, including \$27.4 billion for Army and \$4.8 billion for Marine Corps operation and maintenance, which may be used to finance both peacetime activities and military operations abroad. The bill also provided an additional \$11.6 billion in emergency funding for MRAP vehicles. Except for the MRAP money, however, the bill did not include funding to cover additional costs associated with ongoing military operations in Iraq, Afghanistan, and elsewhere.

- On November 14, 2007, by a vote of 218-203, the House approved the “Orderly and Responsible Iraq Redeployment Appropriations Act, 2008,” H.R. 4156, to provide \$50 billion for U.S. military operations in Iraq, Afghanistan, and elsewhere. The bill included enough money in Army and Marine Corps operating accounts to sustain military operations in Iraq and elsewhere through about April 2008. It also (1) required the President to commence the withdrawal of U.S. forces from Iraq within 30 days of enactment of the legislation and to provide within 60 days a plan for withdrawing most troops from Iraq by December 15, 2008; (2) limited the mission of remaining U.S. forces in Iraq to force protection, training, and pursuit of international terrorists; (3) prohibited deployment of units that are not fully trained and equipped; and (4) extended prohibitions on torture to all U.S. government agencies.
- On November 16, by a vote of 53-45, with 60 votes required, the Senate refused to close debate on a motion to proceed to consideration of H.R. 4156 as passed by the House, effectively killing the measure. The Senate also rejected, by a vote of 45-53, a motion to proceed to consideration of S. 2340, a substitute offered by Senator McConnell, to provide \$70 billion for the Defense Department without requiring withdrawal from Iraq. (Ultimately, however, with some revisions in the allocation of funds, the McConnell amendment was approved as part of the final consolidated appropriations act – see below.)
- Meanwhile, in a November 15 Pentagon press conference, Secretary of Defense Robert Gates warned that the Army and Marine Corps would have to begin implementing steps to limit operations unless Congress approved additional funding very soon.<sup>6</sup> Without additional money, he said, the Army would have to cease operations

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<sup>5</sup> (...continued)

Towell, Stephen Daggett, and Amy Belasco.

<sup>6</sup> Department of Defense, “DoD News Briefing with Secretary of Defense Gates and Chairman of the Joint Chiefs of Staff Adm. Mullen from the Pentagon Briefing Room, Arlington, Va.,” November 15, 2007, at [<http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4089>].



at all Army bases by mid-February 2008, which would require furloughs of about 100,000 government employees and a like number of contractor personnel. Plans would have to begin to be implemented in mid-December, he said. On November 20, the Defense Department announced that it was transferring \$4.5 billion of funds to the Army and to the Joint IED Defeat Organization to extend their operations. The Army, DOD said, would only be able to operate with available funds, including the transfer, until February 23, 2008. Senior defense officials continued to warn that the Army and Marine Corps would have to halt all but essential operations very soon unless Congress approved additional funding.

- On December 17, 2007, the House brought up the foreign operations appropriations bill, H.R. 2764, that had earlier been passed by the House and then amended by the Senate, as a vehicle for FY2008 “omnibus” or “consolidated” appropriations. The House approved two amendments to the Senate-passed bill. The first amendment, approved by a vote of 253-154, struck the Senate foreign operations language and inserted the text of conference agreements on 11 of the 12 FY2008 appropriations bills. In all, it provided \$485 billion in regular and emergency appropriations for programs covered by all of the regular, annual appropriations bills except for defense, for which appropriations had already been enacted. The second amendment, approved by a vote of 206-201, provided \$31 billion in emergency defense appropriations, mostly restricted to Operation Enduring Freedom (OEF), which encompasses operations in Afghanistan and elsewhere, excluding Iraq. Funding for Army and Marine Corps operation and maintenance was made available only for OEF, except for amounts for force protection that could be allocated to any area.
- On December 18, 2007, the Senate took up the House-passed consolidated appropriations bill and, by a vote of 70-25, adopted an amendment by Senator McConnell to delete the House-passed \$31 billion for OEF and to provide, instead, \$70 billion in emergency supplemental appropriations for the Department of Defense for overseas operations, without limits on where the money could be used and without requiring a withdrawal of forces from Iraq.
- On December 19, 2007, the House considered H.R. 2764 as amended by the Senate. By a vote of 272-142, the House approved a motion to agree to the Senate amendment to the House-passed bill, thus clearing the measure for the President. The President signed the bill into law, P.L. 110-161, on December 26.

## **An Overview of Remaining Requested FY2008 Supplemental Appropriations**

### **Remaining Defense Request**

The Administration requested a total of \$189.3 billion in emergency FY2008 supplemental appropriations for the Department of Defense. Through December 2007, Congress had approved \$86.8 billion, which leaves \$102.5 billion still pending. Since December, the Defense Department has made some adjustments in its budget request. **Table 1** shows by title and account (1) the total requested for DOD through the October 22, 2007, budget amendment; (2) the amount Congress has approved to date; (3) adjustments to the remaining amounts that the Defense Department proposed – though not with a formal budget amendment – as of the end of March, 2008, and (4) the remaining adjusted DOD budget request.

**Table 1. Remaining FY2008 Supplemental Funding  
Requested for the Department of Defense**  
(amounts in millions of dollars)

	Original Amended Request	Enacted through Dec. 2007	Remaining Request	DOD Adjust- ment	Remaining Adjusted Request
<b>Military Personnel</b>					
Military Personnel, Army	12,318	783	11,535	+329	11,864
Reserve Personnel, Army	299	--	299	+9	309
National Guard Personnel, Army	1,137	--	1,137	+420	1,557
Military Personnel, Navy	792	96	696	+6	702
Reserve Personnel, Navy	70	--	70	+3	73
Military Personnel, Marine Corps	1,790	56	1,734	+3	1,737
Reserve Personnel, Marine Corps	15	--	15	+1	17
Military Personnel, Air Force	1,416	138	1,278	+8	1,286
Reserve Personnel, Air Force	3	--	3	+4	7
National Guard Personnel, Air Force	--	--	--	+6	6
<b>Total Military Personnel</b>	<b>17,840</b>	<b>1,072</b>	<b>16,767</b>	<b>+789</b>	<b>17,556</b>
<b>Operation and Maintenance</b>					
O&M, Army	53,872	35,152	18,720	-1,577	17,143
O&M, Army Reserve	197	78	119	+38	157
O&M, Army National Guard	757	327	430	+383	813
Afghanistan Security Forces Fund	2,700	1,350	1,350	--	1,350
Iraq Security Forces Fund	3,000	1,500	1,500	--	1,500
O&M, Navy	6,163	3,664	2,499	+722	3,220
O&M, Marine Corps	4,272	3,966	306	+34	340
O&M, Navy Reserve	83	42	42	+66	108
O&M, Marine Corps Reserve	68	46	22	+1	23
O&M, Air Force	10,705	4,778	5,927	+830	6,758
O&M, Air Force Reserve	24	12	12	+150	162
O&M, Air National Guard	103	52	52	+234	285
O&M, Defense-Wide	5,337	2,117	3,220	+343	3,563
Office of the Inspector General	4	--	4	--	4
Iraq Freedom Fund	3,851	3,747	104	+70	174
Drug Interdiction and Counter-Drug Activities, Defense	258	193	65	--	65
Defense Health Program	1,137	576	562	+197	759
<b>Total Operation and Maintenance</b>	<b>92,533</b>	<b>57,599</b>	<b>34,934</b>	<b>+1,490</b>	<b>36,424</b>
<b>Procurement</b>					
Aircraft Procurement, Army	2,125	944	1,182	+15	1,196
Missile Procurement, Army	642	--	642	-105	537
Procurement of W&TCV, Army	7,290	1,429	5,860	-289	5,571
Procurement of Ammunition, Army	514	154	360	--	360
Other Procurement, Army	23,131	2,028	21,103	-4,410	16,693
Joint Impr Explosive Dev Defeat Fund	4,269	4,269	--	-65	-65
Aircraft Procurement, Navy	3,908	49	3,860	+191	4,050
Weapons Procurement, Navy	318	--	318	--	318
Procurement of Ammo, Navy & MC	610	305	305	--	305
Other Procurement, Navy	1,607	91	1,515	--	1,515

	Original Amended Request	Enacted through Dec. 2007	Remaining Request	DOD Adjust- ment	Remaining Adjusted Request
Procurement, Marine Corps	3,148	703	2,444	--	2,444
Aircraft Procurement, Air Force	3,946	51	3,895	--	3,895
Missile Procurement, Air Force	2	--	2	--	2
Procurement of Ammunition, Air Force	104	--	104	--	104
Other Procurement, Air Force	2,461	31	2,430	--	2,430
Procurement, Defense-Wide	542	275	267	+8	275
Rapid Acquisition Fund	150	--	150	--	150
Mine Resistant Ambush Prot Veh Fund	16,830	16,830	--	--	--
<b>Total Procurement</b>	<b>71,597</b>	<b>27,159</b>	<b>44,438</b>	<b>-4,657</b>	<b>39,781</b>
<b>Research, Development, Test and Evaluation</b>					
RDT&E, Army	163	--	163	+48	211
RDT&E, Navy	611	--	611	+21	632
RDT&E, AF	1,487	--	1,487	+62	1,549
RDT&E, DW	684	--	684	+260	945
<b>Total RDT&amp;E</b>	<b>2,946</b>	<b>--</b>	<b>2,946</b>	<b>+391</b>	<b>3,33</b>
<b>Military Construction</b>					
Military Construction, Army	1,441	--	1,441	+127	1,568
FY2005 BRAC - Army	--	--	--	+560	560
Military Construction, Navy	238	--	238	+95	332
FY2005 BRAC - Navy	--	--	--	+97	97
Military Construction, Air Force	305	--	305	+98	403
FY2005 BRAC - AF	--	--	--	+129	129
Military Construction, Defense-Wide	28	--	28	--	28
FY2005 BRAC - Defense Wide	416	--	416	--	416
<b>Total Military Construction</b>	<b>2,427</b>	<b>--</b>	<b>2,427</b>	<b>+1,107</b>	<b>3,534</b>
<b>Family Housing</b>					
Fam Housing Construction, Navy & Marine Corps		--	12	--	12
<b>Total Family Housing</b>	<b>12</b>	<b>--</b>	<b>12</b>	<b>--</b>	<b>12</b>
<b>Revolving and Management Funds</b>					
Working Capital Fund, Army	1,364	720	644	+6	651
Working Capital Fund, Navy	43	--	43	+229	272
Working Capital Fund, Air Force	237	--	237	+358	595
Working Capital Fund, Defense-Wide	313	280	33	+287	320
National Defense Sealift Fund	5	--	5	--	5
<b>Total Revolving &amp; Mngmnt Funds</b>	<b>1,963</b>	<b>1,000</b>	<b>963</b>	<b>+880</b>	<b>1,843</b>
<b>Total Budget Authority</b>	<b>189,316</b>	<b>86,830</b>	<b>102,486</b>	<b>--</b>	<b>102,486</b>

Source: Department of Defense.

Notes: Further changes in request for Iraq Freedom Fund are pending. "BRAC" refers to Base Realignment and Closure.

## Possible Issues in Debate over the Remaining Defense Request

Several issues may be debated when Congress considers the remaining defense supplemental request.

**Iraq policy.** Last year, FY2007 and FY2008 supplemental appropriations bills were vehicles for debate over U.S. policy in Iraq, though Congress was never able to enact a measure requiring troop withdrawals. On May 1, the President vetoed an initial House- and Senate-passed bill providing FY2007 supplemental appropriations for the war, H.R. 1591, that would have required the Secretary of Defense to begin withdrawing troops from Iraq starting either on July 1 or on October 1, depending in the Iraqi government's performance in meeting specific benchmarks. On May 2, by a vote of 222-203, with approval of 2/3 required, the House failed to override the veto. The final FY2007 supplemental bill, H.R. 2006, P.L. 110-28, established 18 benchmarks for performance by the Iraqi government and required reports on progress toward the benchmarks in July and again in September. These reports then provided a basis for later debates.<sup>7</sup>

Congress again considered troop withdrawals in debate over FY2008 supplemental funding. In November, the House initially passed a bill, H.R. 4156, requiring the withdrawal of most forces from Iraq by December 2008, but it died when the Senate failed to invoke cloture – see above for a discussion.

This year, some legislators may again propose amendments mandating a time line for withdrawal of U.S. troops from Iraq.<sup>8</sup> It is unclear if the House and Senate leadership will back any specific withdrawal measures, however. In April 2008 congressional hearings with General Petraeus and Ambassador Crocker, many legislators expressed dissatisfaction with the current policy.<sup>9</sup> That policy, confirmed by President Bush on April 10, calls for withdrawing the remaining “surge” forces from Iraq, evaluating the situation for 45 days, and then conducting an assessment to determine whether and when additional forces might be withdrawn. One legislative approach may be to require more specific criteria from the Administration on factors that would permit troop withdrawals, or to ask for an assessment of how

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<sup>7</sup> For a full review of congressional action on FY2007 supplemental appropriations, see CRS Report RL33900, *FY2007 Supplemental Appropriations for Defense, Foreign Affairs, and Other Purposes*, by Stephen Daggett, Amy Belasco, Pat Towell, Susan B. Epstein, Connie Veillette, Curt Tarnoff, Rhoda Margesson, and Bart Elias, final update July 2, 2007.

<sup>8</sup> Josh Rogin and Adam Graham Silverman, "Democrats Plan New Push on Iraq," *CQ Today*, March 28, 2008. The article reports that Representative Murtha is considering withdrawal targets and that Senator Feingold plans to offer an amendment to require that troop withdrawals begin in ninety days and be completed within nine months.

<sup>9</sup> In addition to other appearances, General Petraeus and Ambassador Crocker testified before the Senate Armed Services Committee and the Senate Foreign Relations Committee on April 8, 2008, and before the House Armed Services Committee and the House Foreign Affairs Committee on April 9, 2008. Also Secretary of Defense Gates and Joint Chiefs Chairman Admiral Mullen testified on Iraq before the Senate Armed Services Committee on April 10, 2008.

long U.S. forces should remain in Iraq if the political and security environment does not improve.

In the same hearings, several Members inquired about Iraqi progress in meeting the 18 benchmarks that were laid out in the FY2007 supplemental. Ambassador Crocker agreed to share the results of an ongoing Administration assessment of the progress toward the benchmarks with congressional committees by April 17, 2008. One legislative approach may be to tie reconstruction assistance or other support to Iraq's progress on the benchmarks. Amendments are also expected to require the Iraqis to pay of the costs of reconstruction and, perhaps, of the war. See below for a discussion of proposals to provide reconstruction assistance as loans rather than grants. There has also been some discussion of establishing funds to which the Iraqi government would contribute to cover some U.S. military costs.

In addition, there may be a renewed debate on the supplemental over negotiations with Iraq about the status of U.S. forces. In the past, Congress has included language in Iraq spending bills prohibiting permanent stationing of U.S. forces in Iraq. White House signing statements, however, have objected to such provisions, saying they impinge on the President's authority. The UN mandate that authorizes foreign troops to operate in Iraq expires at the end of the 2008, and the Administration has been discussing a "status of forces" agreement with Iraq to replace it. It is not clear whether such a framework would allow a permanent U.S. military presence. Some Members of Congress from both parties have insisted that the Administration should submit any agreement with Iraq as a treaty requiring Senate confirmation rather than as an executive agreement.<sup>10</sup>

**Readiness of U.S. forces.** Last year Congress considered several amendments to supplemental funding bills concerning the readiness of U.S. military forces, not only for operations in Iraq and Afghanistan, but for possible unexpected requirements elsewhere. The initial, vetoed FY2007 supplemental, H.R. 1591, included provisions requiring the President to certify that troops meet specific requirements before being deployed. Later, on a number of different bills, Senator Webb proposed a measure to prohibit the deployment of units abroad if they have not spent as much time at home between deployments as they have spent overseas. That measure may again be proposed this year.<sup>11</sup>

A related issue is whether sufficient resources are being devoted to operations in Afghanistan. Some argue that the situation in Afghanistan is deteriorating in part because the U.S. emphasis Iraq has limited the number of forces and other resources that the United States can afford to deploy in Afghanistan. A decision to send 3,500 more Marines to Afghanistan has been seen as a further strain on the Marine Corps. Some legislative measures may address whether troops are capable of maintaining

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<sup>10</sup> For a discussion, see Peter Baker and Karen DeYoung, "Bush Backs Petraeus On Indefinite Suspension Of Troop Pullout In Iraq," *Washington Post*, April 11, 2008, and Adam Graham-Silverman, "Lawmakers Remain Skeptical of White House Plan for Status Agreements With Iraq," *Congressional Quarterly Today*, April 10, 2008.

<sup>11</sup> See footnote 3.

the current level of operations in Iraq while also operating in Afghanistan and preparing for other conflicts.

**Major weapons programs.** In the past, Congress has added substantial amounts of unrequested funds for some major weapons programs to supplemental funding bills. The FY2007 bridge fund,<sup>12</sup> for example, included \$2.1 billion to procure 10 C-17 cargo aircraft, a program that the Administration was proposing to shut down. Representative Murtha, the Chairman of the House defense appropriations subcommittee, has said that he plans to add funds for C-17, C-130, and F-22 aircraft to the pending FY2008 supplemental.<sup>13</sup> The F-22 money is intended to keep the production line open until the beginning of the next Administration. Air Force officials have implied, however, that providing money for additional aircraft in the supplemental may not be enough to avoid a costly shutdown and restart of production, saying that additional funding for long-lead items for as many as 24 aircraft is needed by November 2008.<sup>14</sup> Some of these additions of funds may be controversial

## Remaining International Affairs Request

In its initial February 2007 budget and in the October 2007 budget amendment, the Administration requested a total of \$6.9 billion in emergency FY2008 appropriations for international affairs programs. Most of the request was for embassy security and reconstruction assistance in Iraq and Afghanistan. Congress did not address these funding requests until it took up the FY2008 Department of State/Foreign Operations appropriations bill, H.R. 2764, which ultimately became the vehicle for consolidated FY2008 appropriations. Division J of the consolidated appropriations bill comprises a conference agreement on the State/Foreign Operations appropriations bill. It includes, in addition to regular FY2008 appropriations, \$2.4 billion of emergency FY2008 funding.

Not all of that \$2.4 billion was for programs that were part of the Administration's \$6.9 billion emergency funding request. Furthermore, some supplemental funds were allocated to the base international affairs budget when Congress appropriated less than requested in regular funding. According to the State Department, only about \$1.5 billion of the new emergency funding was for programs as requested, leaving \$5.4 billion of the request still to be addressed, of which \$2.3 billion is for State Department and related activities and \$3.1 billion is for foreign operations. **Table 2** and **Table 3** are State Department summaries of the remaining \$5.4 billion request. **Table 2** shows the remaining request for the State Department and international broadcasting. **Table 3** shows the remaining request for foreign operations.

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<sup>12</sup> Title IX of the regular FY2007 defense appropriations bill, H.R. 5631, P.L. 109-289, that provided \$70 billion in emergency war-related funding.

<sup>13</sup> See footnote 3.

<sup>14</sup> Testimony of Lt. Gen. David J. Hoffman, Military Deputy, Office of the Assistant Secretary of the Air Force for Acquisition, to the Senate Armed Services Airland Subcommittee, April 9, 2008.

**Table 2. FY2008 Emergency Supplemental State Department**  
(millions of U.S. dollars)

Activity	Regular Request FY2008	Total FY2008 Supp. Request	Final Supp. H.R. 2764 PL110-161	State Dept FY08 Supp Allocation <sup>a</sup>	State Dept Pending FY08 Supp Request
<b>Total State Operations</b>	<b>7,317.1<sup>b</sup></b>	<b>3,219.6</b>	<b>1,261.6</b>	<b>965.0</b>	<b>2,254.6</b>
Diplomatic & Consular	4,942.7	2,283.0	781.6	575.0	1,708.0
Programs Iraq Operations	—	(2,120.6)	(575.0)	(575.0)	(1,545.6)
Worldwide Security Protection	(964.8)	(162.4)	(206.6)	(—)	(162.4)
Embassy Security, Construction & Maintenance	1,599.4 <sup>c</sup>	160.0	—	—	160.0
Contributions to International Organizations	1,354.4	53.0	—	—	53.0
Contributions to International Peacekeeping	1,107.0	723.6	468.0	390.0	333.6
<b>Broadcasting</b>	<b>668.2</b>	<b>—</b>	<b>12.0</b>	<b>12.0</b>	<b>—</b>
<b>Total</b>	<b>9,003.5</b>	<b>3,219.6</b>	<b>1,261.6</b>	<b>977.0</b>	<b>2,254.6</b>

**Notes**

a. These numbers differ from those in the FY2008 consolidated appropriations act, P.L. 110-161, because the Department of State applied some of the supplemental funding to the FY2008 base budget and because Congress provided some supplemental funding for activities not requested by the Administration.

b. Includes funds for budget accounts not listed in this table – this table shows only budget accounts for which supplemental funds were requested.

c. Includes worldwide security upgrade funds for embassies.



**Table 3. FY2008 Foreign Operations Emergency Supplemental**  
(millions of U.S. dollars)

Country/Account	FY2008 Regular Request	Total Supp. Request	Final <sup>b</sup> Supp HR2764 PL110-161	FY08 Supp Allocation	Pending FY08 Supp Request
<b>Afghanistan</b>	<b>1,067.1<sup>a</sup></b>	<b>839.0</b>	na	—	<b>839.0</b>
ESF	693.0	834.0			
NADR	21.7	5.0			
USAID Operating Expenses	—	(16.0)			
<b>Iraq</b>	<b>391.8<sup>a</sup></b>	<b>956.0</b>	na	—	<b>956.0</b>
ESF	298.0	797.0			
INCLE	75.8	159.0			
<b>Mexico — Central America Initiative</b>	<b>220.4<sup>a</sup></b>	<b>550.0</b>	0.0	—	<b>550.0</b>
INCLE	31.7	550.0			
<b>West Bank/Gaza</b>	<b>77.0<sup>a</sup></b>	<b>375.0</b>	na	<b>155.0</b>	<b>220.0</b>
INCLE	3.5	25.0		—	
ESF	63.5	350.0		155.0	
<b>Pakistan</b>	<b>785.0<sup>a</sup></b>	<b>60.0</b>	na	—	<b>60.0</b>
ESF	382.9	60.0			
<b>North Korea</b>	<b>2.0</b>	<b>106.0</b>	na	<b>53.0</b>	<b>53.0</b>
ESF	2.0	106.0		53.0	53.0
<b>Sudan</b>	<b>679.2<sup>a</sup></b>	<b>70.0</b>	na	—	<b>70.0</b>
ESF	245.9	70.0			70.0
<b>Horn of Africa/Kenya</b>	—	<b>(110.0)</b>		—	<b>(110.0)</b>
PL480	7.0	(110.0)	0.0		
<b>Southern Africa</b>	—	<b>(135.0)</b>		—	<b>(135.0)</b>
PL480	—	(135.0)	0.0		
<b>Migration/Refugee Assist.</b>	<b>773.5</b>	<b>230.0</b>	<b>200.0</b>	<b>200.0</b>	<b>30.0</b>
<b>Intern'l Disaster Assist.</b>	<b>297.3</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>	—
<b>PL480</b>	<b>1,219.4</b>	<b>350.0</b>	0.0	—	<b>350.0</b>
<b>USAID Operating Expenses</b>	<b>609.0</b>	<b>61.8</b>	na	<b>20.8</b>	<b>41.0</b>
<b>Total</b>	<b>6,121.7</b>	<b>3,677.8</b>	<b>1,123.4</b>	<b>508.8</b>	<b>3,169.0</b>

**Acronyms:** ESF-Economic Support Fund; INCLE-International Narcotics Control and Law Enforcement; IDFA-International Disaster and Famine Assistance; MRA-Migration and Refugee Assistance; NADR-Nonproliferation, Anti-terrorism, Demining, and Related Programs; and PL480-Food for Peace; USAID-U.S. Agency for International Development.

a. Country totals include other accounts for which supplemental funds were not requested.

b. Some supplemental funds were not designated in the Joint Explanatory Statement accompanying H.R. 2764 with regard to destination, and are marked as “na.” As more information becomes available, this table will be updated.

## Iraq Reconstruction Assistance<sup>15</sup>

The major unresolved issue in congressional action on supplemental funding for international affairs may be how much to provide for Iraq reconstruction, and whether to continue to provide it as grants or instead to provide loans that the Iraqi government must repay. With the passage of the consolidated FY2008 appropriations act, nearly half of the Administration's \$4.9 billion supplemental request for Iraq reconstruction was approved. However, of the roughly \$2.1 billion appropriated in this category of assistance, only about \$230 million was for economic aid under the foreign operations portion of the bill, the bulk of enacted assistance being in the form of DOD appropriations. Currently outstanding and to be considered in the Second FY2008 supplemental is roughly \$2.9 billion, of which \$986 million is for foreign operations economic assistance.

The foreign operations request is for three accounts — \$797 million in the Economic Support Fund (ESF), \$159 million in International Narcotics and Law Enforcement (INCLE), and \$30 million in Migration and Refugee Assistance (MRA). ESF is the primary source of funding for assistance disbursed by the Provincial Reconstruction Teams (PRTs), which have grown in number under the surge to 31, including 13 newly established ePRTs (embedded PRTs) embedded with U.S. combat battalions and concentrated mostly in Baghdad and Anbar province. The ePRTs are intended to help stabilize areas secured by U.S. and Iraqi forces by supporting local small-scale, employment-generating, economic projects, using ESF-funded community development grants, job training and micro-loan programs, among other activities. PRTs also utilize ESF to increase the capacities of local government officials to spend Iraqi-owned capital funds allocated by the Iraqi government for infrastructure programs. At the national level, ESF supports ministerial capacity development, agriculture and private sector reform, and the strengthening of democratization efforts.

Of the ESF request, \$25 million, accompanied by proposed authorization language, would allow the Administration to establish a new Iraq enterprise fund based on the model created for east Europe and the former Soviet Union in the late 1980s and early 1990s. Enterprise funds are U.S. government-funded private sector-run bodies that primarily provide loans or equity investments to small and medium business. In the former communist countries, enterprise funds also encouraged growth of the private sector, including support for mortgage lending markets and establishment of private equity funds. The most successful example, the Polish Fund, made many profitable investments, helping companies grow that otherwise were unable to obtain financial support in the period just after the fall of communism. Some of the funds, however, have been much less successful, either because they took on poor investment risks, or because they were unable to locate promising businesses due to the poor business climate or competition from other private sector funding sources. Some observers question the usefulness of the funds because their

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<sup>15</sup> Prepared by Curt Tarnoff, Specialist in Foreign Affairs. For more detailed discussion of the U.S. program of assistance to Iraq, see CRS Report RL31833, *Iraq: Reconstruction Assistance*, by Curt Tarnoff.

ostensible development purpose seems often to conflict with pressures for economic profit.

The INCLE account largely would support rule of law and corrections programs. The Administration request was expected to fund prison construction, something that Congress has sometimes cut from previous requests. The request was also intended to extend judicial reform and anticorruption efforts to the provinces. The MRA request would address the continuing refugee crisis in the region; an estimated 2.0 million Iraqis have fled the country and another 2.2 million have been displaced due to sectarian violence and instability.

The bulk of the pending Second supplemental request for assistance to Iraq is for DOD appropriations for the training and equipping of Iraqi security forces (\$1.5 billion under the Iraq Security Forces Fund, ISFF), and for development programs delivered under the Commander's Emergency Response Program, CERP (Iraq could expect at least half of the \$719 million still outstanding for both Iraq and Afghanistan). The CERP allows military commanders to support a wide variety of economic activities at the local level, from renovating health clinics to digging wells to painting schools, provided in the form of small grants. CERP also funds many infrastructure efforts no longer supported with other U.S. assistance, such as provision of electric generators and construction of sewer systems and roads. Commanders are able to identify needs and dispense aid with few bureaucratic encumbrances. More recently, the CERP has paid salaries to the so-called Sons of Iraq, mostly Sunnis who are joining with U.S. forces to provide security.

Also requested is \$100 million under the DOD-funded Iraq Freedom Fund account for the Task Force to Improve Business and Stability Operations in Iraq. The Task Force seeks to stimulate the economy and create employment for Iraqi citizens by rehabilitating some of the roughly 200 state-owned enterprises that comprised a large portion of the Iraqi economy prior to the U.S. occupation. News reports have suggested some difficulty with the program, resulting from the lack of electricity, the insecure environment, and a lack of enthusiasm from U.S. companies that had been expected to invest in the facilities, among other reasons.<sup>16</sup>

Outstanding FY2008 supplemental funds include operational costs (not counted in the reconstruction aid total or the table) for staffing and administering reconstruction programs: \$679 million for PRTs.

**Congressional action on Iraq reconstruction.** Even before a draft bill has emerged there have been indications of possible amendments that would greatly affect the reconstruction program. According to press reports, Senator Ben Nelson has said he will offer an amendment making U.S. reconstruction aid available in the form of loans rather than the current practice of grant aid.<sup>17</sup>

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<sup>16</sup> "U.S. Falters in Bid to Boost Iraqi Business," *Washington Post*, August 24, 2007; "In Iraq, One Man's Mission Impossible," *CNN Money.com*, September 4, 2007.

<sup>17</sup> "Lawmakers Eager to See Iraq Pay Its Own Way," *CQ Today*, April 3, 2008, p. 1.

Several efforts to provide loans for reconstruction instead of grants were rejected in late 2003 when Congress deliberated approval of \$18.4 billion in Iraq Relief and Reconstruction Fund support under the FY2004 emergency supplemental appropriations act (P.L. 108-106). Among arguments at the time were the possible violation of international law that would prevent an occupying power from creating a debt obligation on behalf of an occupied entity. In addition, the level of Iraqi needs subsequent to the fall of Saddam Hussein appeared to vastly surpass the near-term capability of Iraq to produce sufficient oil export profits. Today, Iraq is a sovereign nation and appears to have considerable difficulty executing its capital projects budget aimed at infrastructure and other related reconstruction programs. According to a recent DOD report, the Iraqi government had executed only 55% of its \$10.1 billion 2007 capital budget as of November 2007. With the increasing oil revenues derived from a rising price for the commodity, Iraq has found itself with larger amounts of available cash than anticipated. Of a 2008 government-wide budget of \$49.9 billion, about \$13.2 billion is earmarked for capital investment. The Iraqi government recently announced that, due to rising revenue, an additional \$5 billion will be added to the capital budget in June.<sup>18</sup>

Among concerns likely to be raised by opponents of a possible reconstruction loan is the extent to which a loan limits the discretion of the U.S. government to determine the direction of assistance. Currently, U.S. officials identify specific objectives — for example, preventing corruption, increasing the capacity of the Iraqi government to provide services and spend its capital budget, strengthening local governance — and funds programs meant to meet those objectives. If Iraq borrows money from the United States, it is not clear what leverage the United States will have to bring about its priorities, in the event that Iraq does not share these. Further concerns and arguments are likely to emerge as the loan vs. grant debate goes forward.

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<sup>18</sup> Department of State, *Iraq Weekly Status Report*, April 2, 2008, p. 15; Department of Defense, *Measuring Stability and Security in Iraq*, March 2008 Report to Congress, p. 9.

**Table 4. FY2008 Second Supplemental Appropriations  
for Iraq Reconstruction**  
(millions of U.S. dollars)

<b>International Affairs (Budget Function 150 Accounts)</b>				
	<b>Total FY2008 Supp. Request</b>	<b>Enacted Supp. Allocation H.R. 2764 PL110-161</b>	<b>Second FY2008 Supp Request</b>	<b>FY2009 Regular Request</b>
Economic Support Fund (ESF)	797.0	5.0	797.0	300.0
International Narcotics Control and Law Enforcement (INCLE)	159.0	—	159.0	75.0
Migration and Refugee Assistance (MRA) <sup>a</sup>	195.0 <sup>a</sup>	149.5 <sup>a</sup>	30.0 <sup>a</sup>	—
International Disaster Assistance (IDA) <sup>b</sup>	80.0 <sup>b</sup>	80.0 <sup>b</sup>	—	—
Nonprolif, Anti-Terror, Demining (NADR)	—	—	—	20.0
<b>TOTAL 150 Account</b>	<b>1,231.0</b>	<b>234.5</b>	<b>986.0</b>	<b>395.0</b>
<b>Department of Defense (Budget Function 050 Accounts)</b>				
Iraq Security Forces Fund (ISFF)	3,000	1,500.0	1,500.0	—
Commander's Emergency Response Program (CERP)	609.7 <sup>c</sup>	370.0 <sup>d</sup>	359.7 <sup>e</sup>	—
Iraq Freedom Fund (for Task Force to Improve Business)	100.0	—	100.0	—
<b>TOTAL 050 Account</b>	<b>3,709.7</b>	<b>1,870.0</b>	<b>1,959.7</b>	<b>—</b>
<b>GRAND TOTAL 150 &amp; 050</b>	<b>4,940.7</b>	<b>2,104.5</b>	<b>2,945.7</b>	<b>395.0</b>

**Sources:** Department of State and DOD FY2008 Congressional Budget Justifications; H.R. 2764.  
**Note:** Not included are requests of \$45.8 million in USAID Iraq operational expenses (OE) and \$679 million for PRT OE. H.R. 2764 provided USAID with \$20.8 million in OE.

- a. H.R. 2764 provided \$200 million for MRA account (total account request was \$230 million). Table shows amount requested/allocated for Iraq.
- b. H.R. 2764 provided \$110 million for Iraq and other countries affected by disasters. Total IDA account request was \$80 million. Table shows amount allocated for Iraq.
- c. The total CERP request of \$1,219.4 million is for both Iraq and Afghanistan. The amount included here assumes that at least half will be used in Iraq.
- d. Congress appropriated up to \$500 million for the CERP. According to the SIGIR, Iraq has been allocated \$370 million as of end January 2008.
- e. The total unenacted FY2008 CERP request of \$719.4 million is for both Iraq and Afghanistan. The amount included here assumes that at least half of the request is for Iraq.

## Afghanistan Reconstruction Assistance<sup>19</sup>

**Background.** Afghanistan's political transition was completed with the convening of a parliament in December 2005, but in 2006 insurgent threats to Afghanistan's government escalated to the point that some experts began questioning the success of U.S. stabilization efforts. In the political process, a new constitution was adopted in January 2004, successful presidential elections were held on October 9, 2004, and parliamentary elections took place on September 18, 2005. The parliament has become an arena for factions that have fought each other for nearly three decades to debate and peacefully resolve differences. Afghan citizens have started to enjoy new personal freedoms, particularly in the northern and western regions of the country, that were forbidden under the Taliban. Women are beginning to participate in economic and political life, including as ministers, provincial governors, and senior levels of the new parliament. The next elections are planned for 2009.

The insurgency, led by remnants of the former Taliban regime, escalated in 2006, after several years in which it appeared the Taliban was mostly defeated. U.S. and NATO military commanders have had recent successes in counter-insurgency operations, but the Taliban continues to present a considerable threat to peace and security in parts of Afghanistan. Slow reconstruction, corruption, and the failure to extend Afghan government authority into rural areas and provinces, particularly in the south and east, have contributed to the Taliban resurgence. Political leadership in the more stable northern part of the country have registered concerns about distribution of reconstruction funding. In addition, narcotics trafficking is resisting counter-measures, and independent militias remain throughout the country, although many have been disarmed. The Afghan government and U.S. officials have said that some Taliban commanders are operating across the border from Pakistan, putting them outside the reach of U.S./NATO forces in Afghanistan. In 2007, the Administration unveiled the Reconstruction Opportunity Zones (ROZ) in Afghanistan and the border regions with Pakistan, an initiative to stimulate economic activity in underdeveloped, isolated regions.

The United States and partner stabilization measures focus on strengthening the central government and its security forces and on promoting reconstruction while combating the renewed insurgent challenge. As part of this effort, the international community has been running PRTs to secure reconstruction. Despite these efforts, weak provincial governance is seen as a key obstacle to a democratic Afghanistan and continues to pose a threat to reconstruction and stabilization efforts.

**The FY2008 original and amended emergency supplemental request.** The Administration requested \$339 million in ESF for Afghanistan reconstruction assistance in the FY2008 emergency supplemental in February 2007. Other parts of the supplement request for Afghanistan included increases in embassy operations and security. The Administration amended the FY2008 supplemental request in October 2007 for a total request of \$839 million for reconstruction, which

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<sup>19</sup> Prepared by Rhoda Margesson, Specialist in International Humanitarian Policy, and Kenneth Katzman, Specialist in Middle Eastern Affairs.

included several provisions intended to continue U.S. efforts to stabilize Afghanistan and continue economic reconstruction efforts.<sup>20</sup>

The FY2008 consolidated appropriations act funded most government operations for which regular FY2008 appropriations bills — 11 in all — had not been enacted. Although emergency funds for military operations in Afghanistan were appropriated as part of the bridge supplemental in the consolidated appropriations act (\$1.753 million), the supplemental request of \$839 for reconstruction was not appropriated.

Key elements of the FY2008 emergency supplemental requests include funding for the ESF. In addition to the \$339 million for ESF in the initial supplemental request, the amended supplemental included additional funding for democratic governance and reconstruction efforts to continue security and development strategy that would be allocated as follows:

- \$275 million to strengthen provincial governance and responsiveness to the Afghan people. Funding would support a wide range of programs, preparation activities for the 2009 election and ongoing programs, such as the National Solidarity Program (\$40 million), the Afghanistan Reconstruction Fund (\$25 million), and the Provincial Governance Fund (\$50 million);
- \$50 million as part of an effort to invest in basic social services, such as health and education, particularly in rural areas; and
- \$170 million for economic growth and infrastructure, including the development of power sector projects (\$115 million); road projects (\$50 million) focused on those segments that are of strategic military importance and provide key connections between the central and provincial government capitals; and funding to support Reconstruction Opportunity Zones (\$5 million) in designated economically isolated areas and to create employment alternatives.

In addition to ESF funding, the request includes:

- \$5 million in Non-proliferation, Anti-terrorism, Demining and Related Programs (NADR) to support the Afghan leadership through the Presidential Protection Service.

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<sup>20</sup> Funding figures obtained from the *FY2008 Revised Emergency Proposal* dated October 22, 2007; the proposed *Budget for Fiscal Year 2008* (“*Additional 2007 and 2008 Proposals*”) submitted in February 2007; and the *Supplemental Appropriations Justification Fiscal Year 2008* prepared by the Department of State and USAID.

**Table 5. Afghanistan Reconstruction Assistance, FY2008**  
(millions of U.S. dollars)

Activity (appropriation account)	Total FY2008 Supp Request	Final Supp H.R. 2764 PL110-161	Pending FY2008 Supp Request
Infrastructure aid (ESF)	834.0	—	834.0
Nonproliferation (NADR)	5.0	—	5.0
<b>Total</b>	<b>839.0</b>	—	<b>839.0</b>

**Source:** FY2008-FY2009 budget materials.

**Notes:** Data in this table reflect ongoing and FY2008 proposed funding for programs the same as or similar to those requested in the FY2007 supplemental. The **total** line does not represent total aid or mission operations for Afghanistan. Excluded from this table is proposed funding requested for FBI operations in Afghanistan.

**Acronyms:** ESF-Economic Support Fund, NADR-Nonproliferation, Anti-terrorism, Demining, and Related Programs.

## Pakistan<sup>21</sup>

The Federally Administered Tribal Areas (FATA) of Pakistan are considered strategically important to combating terrorism, while continued terrorist and militant activities in the frontier region remain a threat to the United States and its interests in Afghanistan. The Government of Pakistan has developed a FATA Sustainable Development Plan to be implemented over 10 years. In support of this plan, the State Department and the U.S. Agency for International Development have put forward a five-year \$750 million development assistance strategy for the frontier region (a pledge of \$150 million per year) that complements the Government of Pakistan's plan.<sup>22</sup> The U.S. objectives are to improve economic and social conditions in the FATA in order to address the region's use by terrorists and militants. Programs would include governance, health and education services, and economic development, such as agricultural productivity, infrastructure rehabilitation, credit, and vocational training.

On November 3, 2007, President Musharraf imposed emergency rule and suspended Pakistan's constitution. In light of these events, the Administration announced a review of U.S. assistance. However, no action was taken in 2007 and in February 2008, Pakistan held what was reported to be a reasonably credible national election that seated a new civilian government. On April 9, 2008, Secretary of State Condoleezza Rice determined that a democratically elected government had taken office in Pakistan on March 25, 2008, which permitted the removal of coup-related sanctions on Pakistan and the resumption of assistance.

<sup>21</sup> Prepared by Rhoda Margesson, Specialist in International Humanitarian Policy.

<sup>22</sup> For more detail on Pakistan, see CRS Report RL33498, *Pakistan-U.S. Relations*, by K. Alan Kronstadt.



**The FY2008 original and amended supplemental request.** The Administration did not request funding for Pakistan in its original FY2008 emergency supplemental request in February 2007. In the FY2008 regular budget, the President asked for \$90 million for the frontier region development plan, which left a gap of \$60 million in the overall U.S. pledge of \$150 million. The FY2008 amended supplemental request for \$60 million for ESF would address this funding gap and meet the full pledge as follows: Investment in governance and planning (\$13 million); health and education programs (\$15 million); and local economic development (\$32 million). The \$60 million emergency supplemental request is in addition to the regular appropriations from various accounts in the FY2008 budget.

## **Sudan<sup>23</sup>**

No funding was requested for Sudan in the original FY2008 emergency supplemental in February 2007. The Administration sought a total of \$868.6 million in the amended emergency supplemental for Sudan, most of which was for humanitarian and peacekeeping support in the Darfur region. Under the consolidated appropriations act, Sudan received \$334.8 million in the regular FY2008 budget and also \$468 for the African Union/United Nations Hybrid Operation in Darfur (UNAMID) peacekeeping mission.

**FY2008 additional emergency supplemental request.** Major elements of the FY2008 amended emergency supplemental included the following:

- A \$70 million request in ESF for Sudan to support upcoming national elections that are to take place before July 2009, as determined in the 2005 Comprehensive Peace Agreement between north and south Sudan. The assistance will focus on strengthening political parties, drafting the electoral law, supporting an electoral commission, promoting civic education, and supporting election-related institutions and processes. The United Nations estimates that the elections could cost nearly \$400 million because of the logistical hurdles in conducting elections in a post-conflict environment. \$70 million remains in the pending FY2008 emergency supplemental; and
- \$723.6 million in support of the African Union/United Nations Hybrid Operation in Darfur (UNAMID) in the amended FY2008 supplemental. In the consolidated appropriations act, \$468 million was appropriated; \$333.6 remains in the pending FY2008 emergency supplemental.

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<sup>23</sup> Prepared by Rhoda Margesson, Specialist in International Humanitarian Policy.

**Table 6. Sudan Emergency Supplemental, FY2008**  
(millions of U.S. dollars)

Activity (appropriation account)	FY2008 Supp Request Total	Final <sup>a</sup> Supp H.R. 2764 PL110-161	Pending FY2008 Supp Request
UNAMID (CIPA)	723.6	468.0	333.6
Economic Support Fund (ESF)	70.0	—	70.0
<b>Total</b>	<b>\$868.6</b>		<b>\$403.6</b>

**Source:** FY2008-FY2009 budget materials.

**Note:** The **Total** line does not represent total aid or mission operations for Sudan.

**Acronyms:** CIPA-Contributions to International Peacekeeping Activities; ESF-Economic Support Fund.

## Other Humanitarian Assistance<sup>24</sup>

Although proposed aid packages for specific countries anticipate and identify some humanitarian needs, the Administration also seeks funding for what it describes as unmet or unforeseen humanitarian needs, including \$350 million in additional P.L. 480 - Title II assistance to meet emergency food needs in the Darfur region of Sudan and eastern Chad and elsewhere worldwide, including places such as southern Africa, and the Horn of Africa and Kenya.

In addition, the Administration's original request asked for \$230 million for Migration and Refugee Assistance (MRA) for anticipated and unanticipated refugee and migration emergencies, of which \$195 million was requested for humanitarian assistance to Iraqi refugees. This was an increase of \$160 million for Iraqi refugees; \$35 million was requested in the earlier version of the FY2008 emergency supplemental request. In addition, \$35 million was requested for the emergency needs of Palestinian refugees in Gaza and West Bank, and for Palestinian refugee camps in Lebanon. \$200 million was appropriated for MRA in the consolidated appropriations act, of which \$195 was allocated for Iraqi refugees. \$30 million (of the original \$230 million request) remains as part of the pending FY2008 supplemental request for assistance to Iraqi refugees.

## Other Issues

Several other elements of the international affairs request also remain to be resolved, including \$550 million for a major new counter-drug initiative in Mexico and Central America, and \$220 million requested for economic assistance in the West Bank and Gaza. In addition, Congress may also consider using the

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supplemental as a vehicle for a further economic stimulus package, for GI and veterans benefits increases, or for other purposes.